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OPERATOR: Welcome, ladies and gentleman, to your Dana Gas Q1 financial results conference call. Throughout the call, all participants will be on listen-only mode, and afterwards, there will be a question and answer session. Today I am pleased to present your host, Joe Kaye. Over to you, Joe.

JOE KAYE: Thank you. Hello, and welcome to Dana Gas' first call to 2011 financial results presentation. Today's presentation will be by our Chief Executive Officer Ahmed Rashid Al Arbeed, our Technical Director Donald Dorn-Lopez, and our Chief Financial Controller Azfar Aboobakar. Our presentation today will refer to a slide pack that is both on Dana Gas' corporate website and on the anywhereconference.com website as detailed on our information to the call.

We will be following this presentation throughout this call. Before we start, I would like to draw your attention to the cautionary statement included in slide number 2 of our presentation. Our presentation will contain references to projects, estimates, plans and expectations that are forward-looking statements. The actual results, performance or achievement of the company could differ materially from those projected.

Thank you. And now over to our Chief Executive Officer Ahmed Al Arbeed.

AHMED AL ARBEED: Ladies and gentlemen, this is Ahmed Al Arbeed, Chief Executive Officer of Dana Gas. Welcome to our conference call. We are now in our second year of quarterly conference calls, and I thank you for your interest in these calls. Slide 3 of our presentation pack shows our presentation team today. Donald Dorn Lopez is our Technical Director and will review our operations in Egypt and Iraq. And Azfar is our Financial Controller, who will present the financial results.

Slide 4 of our presentation pack shows our agenda for this meeting. I will commence by giving you the highlights of the first quarter of 2011 and recent events. Turning to slide 5, we show that we have delivered a net profit of $25 million this quarter, a 180% increase on our profit for the same period in 2010. Throughout 2010 and through this first quarter of 2011, we have delivered consistent performance with our exceptional items being almost entirely restricted to exploration costs, which reflect our underlying operational strengths.

Our production is up 34% during this quarter compared to the same quarter in 2010. We are targeting an increase of 25% in production during 2011 compared to 2010. In Egypt, we continued to enjoy exploration success, having drilled one dry hole during the first quarter, and had a new discovery at South Abu le Naga just last week. This discovery was estimated to contain reserves of at least 60 Bcf, with further upsides. The discovery replaces over half of our 2011 production from Egypt. In the Kurdistan region of Iraq, on a gross basis, we are now delivering some 250 million standard cubic feet per day of gas to the two power stations and are delivering condensate and LPG both to the KRG and to local buyers. Our receivables position for Egypt and the Kurdistan region of Iraq has risen during this quarter, though the situation has improved slightly since. Azfar will brief you on the details.

You will have seen in the press that funds have now been transferred by the Federal Government to the KRG, which is a positive development, and we look forward to the start of receiving payment from the KRG for the condensate that we have delivered. Clearly, whilst our receivables positions had been rising, we have been closely reviewing our 2011 CAPEX plans and we will continue controlling expenditure according to our operating cash flows.

The status of the UAE Gas Project remains unchanged since the gas supplier has discovered leaks in its transition pipeline, and until these are repaired, deliveries will not commence. Meanwhile the arbitration processes between our partner, Crescent

Petroleum and NIOC continues - and we can make no further comment during this process, though an enforceable decision is expected in less than a year.

As we have said in our previous calls, we are working on our Sukuk Liability Management programme to examine the most effective way of dealing with our Sukuk, which matures in October 2012. The company has been, and remains, committed to meeting its obligations with respect to this investment. We will share further details with you when we are in a position to do so.

That concludes my opening remarks to you. Your company continues to continue growth in terms of profitability and production, and I look forward to delivering continued progress on both fronts. The remainder of this presentation will go into further details about these areas. Thank you for listening. We will be happy to take questions at the end of our presentations. I will now hand over to Donald.

DONALD DORN-LOPEZ: Thank you, Ahmed. This is Donald Dorn-Lopez, Technical Director for Dana Gas. I will now review with you our operations in Egypt and the Kurdistan region of Iraq before giving details of our production during the first quarter of 2011 and some guidance for the remainder of the year.

Turning to slide number 7 in our presentation pack, we show you a map of our acreage in Egypt, along with the status update for the first quarter of the year. There are two things I'd like to highlight on this map. We had one discovery on this acreage which we announced earlier this month at South Abu El Naga 2. This well was drilled as an appraisal of the already-announced South Abu El Naga discovery, and it was both a successful appraisal of this discovery, which proved up and extended the field, but most excitingly, in addition, it discovered a new hydrocarbon pool in the shallower Al-Wastani formation. We tested this formation, and the results of the production test indicated that this is a sizeable pool of dry gas with good reservoir properties and potential reserves of at least 60 Bcf and further upside potential. As this discovery is located near the South El Manzala dry gas plant where we have spare capacity, we will be able to bring the new pool on-stream very rapidly, with production targeted in the last quarter of this year.

We connected and brought on-stream the Ward Delta and the West Ward Delta fields up in the northwest corner of our Concession. These were brought into production in March. These fields were brought on-stream very quickly, since we were able to tie them back to the Al-Wastani plant. You will gather from all this activity that operationally, we have not been adversely affected by events in Egypt. We are, however, managing our capital expenditure with care to ensure that our expenditures are matched to our receipts. At the current time, we are in the evaluation and design stages of our new gas plant to the east of the Nile, which will handle the Salma Delta/Tulip hub and also the South Abu El Naga discovery. We will most likely delay this plant by some months, as we are able to increase production by South El Manzala in the short term. Our final investment decision to move ahead with the East Nile plant has thus not yet been taken, and we currently expect production from this complex to start in 2013.

On slide number 8, we show a map of our operations in the Kurdistan Region of Iraq and a summary of our progress this year. First production levels at Khor Mor have now peaked at 265 million cubic feet per day with an average over the first quarter of 224 million standard cubic feet per day. We have produced condensate at gross rates of 10,500 barrels per day average for the period, peaking at 12,000 barrels per day, and LPG production has also commenced and initial sales of LPG are taking place, with current volumes of about 300 tonnes per day, which will grow as we find additional customers.

Our current gas production is restricted to the seasonal demand of the two power stations that we supply, but we are working to sign additional contracts for sales to new customers, which may include further power plants, cement plants and other industrial users.

I will now review our production performance during the quarter. Turning to slide number 9, we show our total production during the quarter compared to the same quarter last year, and a breakdown between volumes produced in Egypt and the Kurdistan region of Iraq. Our total production for the quarter from Q1 2010 to Q1 2011 is up 34%, as Ahmed said to 66,800 barrels of oil equivalent per day, up from 50,000 barrels of oil equivalent per day in Q1 2010.

Production in Egypt is up 21% from 39,200 barrels of oil equivalent per day to 47,300 barrels of oil equivalent per day, and in the Kurdistan Region of Iraq, it's up by 80%, from 10,800 barrels of oil equivalent per day to 19,500 barrels of oil equivalent per day. This is the result of the new fields that have come on-stream over the last year in Egypt and our build-up in production in the Kurdistan Region of Iraq. Likewise, on slide 10, we show that production has increased in the first quarter of 2011 compared to fourth quarter 2010 by 8%. Currently, we expect average daily production for 2011 to be just below 50,000 barrels of oil equivalent per day, with a significant increase in dry gas production in fourth quarter 2011 when the first part of the South Abu El Naga field comes on-stream, and a further increase in 2013 when the full South Abu El Naga, Salma Delta and Tulip fields come on-stream. Thank you, ladies and gentlemen. Let me now hand over to Azfar Aboobakar, who will present the details of our financial results.

AZFAR ABOOBAKAR: Thank you, Ahmed and Donald. This is Azfar Aboobakar, Financial Controller for Dana Gas. I will now review with you our financial results for the first quarter of 2011. I will also be referring to the slides in our presentation.

The key headline for the year is that Dana Gas has achieved a quarterly profit of $25 million in quarter 1 2011. These results are $16 million better than first quarter 2010, when we had a reported profit of $9 million. Ahmed and Donald have already highlighted the increase in production. To conclude on that the volume increase added $35 million revenues in first quarter 2011 compared to first quarter 2010.

Let us now move to slide 12 for the average realised prices. Slide 12 compares first quarter 2010 to first quarter 2011 prices. Our gas sales realisations in Egypt remain consistent at $2.70/Mcf, which reflect our gas contract prices. This is 60% of our total production. Our gas production in the Kurdistan Region of Iraq is delivered free of charge to the two power stations that we supply. This is approximately 22% of our total production. Our condensate realisation prices increased from $75 per barrel in quarter 1 2010 to $102 per barrel this quarter, in line with world market prices. The $27 per barrel increase applies to condensate sales in Egypt and Kurdistan, which is nearly 13% of our total production. LPG realisations increased from $61 per barrel of oil equivalent in first quarter 2010 to $80 this quarter. This 19 increase applies to LPG sales from Egypt and Kurdistan, which is approximately 4% of our total production. Our crude realisations increased from $71 per barrel to $101 per barrel. This currently applies to less than 1% of our total production. These higher prices added $21 million to gross revenues in quarter 1 2011 compared to quarter 1 2010.

Slide 13. Compares 4Q 2010 with 1Q 2011 realised prices. You can see that average prices increased further in 2011, resulting in higher leveraging. Let's now move to slide 14. Slide 14 shows a profit after tax "bridge". The increase in commodity prices added $21 million, and the volume increase added $35 million. This partly offset by $14 million and $5 million increase in royalty and tax, and the appreciation and cost of sales respectively. General and admin expenses increased by $3 million due to the expanding operation, and finance costs increased by $8 million during the quarter as capitalisation of finance costs in the Kurdistan Region of Iraq ceased, following completion of the LPG plant construction. Exploration write-off has been higher by $9 million due to one unsuccessful well Sanabel drilled in quarter 1 2011.

Slide 15 shows our capital expenditure. In Egypt, we spent $21 this quarter compared to $27 million in the same quarter last year. This $6 million decrease is mainly due to lower levels of drilling activity compared to last year. In the Kurdistan Region of Iraq, CAPEX was $4 million compared to $24 million in the first quarter of 2010. As the majority of our facilities are already complete, CAPEX has reduced accordingly. Others include CAPEX for the Sharjah Western Offshore Development, and the Gulf of Suez gas liquids plant construction.

Let's move to slide 16. On slide 16, we show an analysis of our trade receivables, which increased by $92 million in this quarter. In Egypt, our receivables increased by $50 million. This increase was due to the following two factors, the first being a higher amount of invoicing, which was a direct result of higher production and higher hydrocarbon prices; second, the delay in collections due to the political unrest in the first quarter. In the Kurdistan Region of Iraq, our 40% share of the receivables increased by $41 million in quarter 1 2011. As mentioned earlier by Mr Arbeed, funds have now been transferred by the Federal Government to the KRG, and we now look forward to receiving payments from the KRG.

Let's move to slide 17. Slide 17 shows that in the first quarter 2011, our cash outflow was $47 million. Analysing these numbers further, the first quarter 2011 operating cash flow before working capital was positive at $84 million. We paid $29 million of CAPEX, and financing cost of $17 million. Our working capital increased by $90 million during the quarter due to ongoing delay in collecting receivables in the Kurdistan Region of Iraq and the recent political unrest in Egypt. As a result, the cash balance at the end of quarter reduced to $112 million.

Slide number 18. This slide is simply a summary of the key financial aspects for the quarter which I have just described. This concludes the review for the first quarter. We will now be pleased to take questions. After the call, if you have any further questions, please direct these to Joe Kaye of Dana Gas. Thank you.

JOE KAYE: Thank you for your attention, ladies and gentlemen. I will now hand over to our moderator, who will handle the question and answer session for us. I'd be grateful if you'd clearly state your name and name of your organisation before you start your question, and in addition, could we ask you to restrict your questions to a single question? If you have multiple questions, please do rejoin the queue. I will now hand over to our moderator to handle the question and answer session.

OPERATOR: Thank you, ladies and gentlemen. At this point, if you wish to ask a question, please key 01 on your telephone keypad. If you wish to withdraw your question, you may also do so by pressing 02.

Our first question comes from the line of Scott Darling from Nomura. Over to you, Scott.

SCOTT DARLING: Hi. Good afternoon, gentlemen. It's Scott here from Nomura. Just a few quick questions. Can you give any guidance around timing of receiving payments from the KRG? DNO yesterday were very positive to confirm payments they're expecting. Also, Don, could you give a little bit of guidance of Egypt when you said you were going to revise CAPEX guidance this year to manage receipts? I'm assuming what you're really saying is you're cutting CAPEX, or at least delaying CAPEX temporarily in Egypt, and if you can talk also about when the Egyptian exploration licence expires -- I think it's end of 2012. What next? Presumably you can extend somehow. Any comments around further exploration around 2012 or development in the more medium term, I'd appreciate. Thank you very much.

AHMED RASHID AL ARBEED: Thank you very much for the questions. This Ahmed Rashid Al Arbeed. Regarding the timing of KRG receivables, nothing to announce at this stage, and nothing came to our knowledge from the KRG as to when they are going to pay us the receivables. We are in continuous contact with them and we are hoping that we will receive payment soon.

DONALD DORN-LOPEZ: I'll take the question, Scott, on the CAPEX re-phasing. This primarily relates to Egypt, and we have two components to that. One is the drilling side, and we have re-phased some of our drilling to manage within a lower CAPEX for 2011, so we've moved some of the more expensive drilling a little bit later in the programme.

There a second component as well, which is actually more important, and this is the new plant that we're designing for the production from Salma Delta, Tulip and the South Abu El Naga area. We've called it the Salma Tulip cluster. We have now decided that we're going to try and push most of the CAPEX that was planned for this year into next year. We will do the engineering pre-work that we need to do in order to get the design going on this plant, but the big spend, of course, comes when we move from the design stage to the stage where we're actually executing the long-lead procurement and the contracts for construction work, so we've made a strategic decision to move that into the future.

This does have implications for production. The production from that area will of course be a bit later than it would have been under the plans that we made in our budget process, but we're confident that we'll be able to fill at least part of that gap with the dry gas that's coming from the new pool discovery at South Abu El Naga and will be tied into the South El Manzala plant. But that's really what we're doing on the CAPEX side, and these plans can be shifted both forwards and backwards so that if we get good news on the receivable side, then of course we can go back onto an accelerated schedule.

Let me take the question also about the exploration licence. The exploration licenses in both the West El Manzala and the West El Qantara are expiring in June of 2012, so June of next year. Both of these licenses are in their second extension of the exploration phase, so this is the final deadline and the final relinquishment of the part that's not already held by production, so to speak. Just to give a little history on this, this was originally one concession that was held by the company. It was called the El Manzala concession, and it did expire, and it was re-nominated by the company and was picked up as the two concessions that we have now. The original concession was split into two, and we picked up the two concessions again. This is an option for the future if we decide that there are prospects that we would like to pursue in the area that's been relinquished. We could nominate it for consideration by the government to put it back up for bid. What this means in practice is that we would have to pay additional bid bonus and we'd have to bid an additional work programme, but I think it's safe to say that we know more about this acreage than any other competitors, so we can certainly put together an award programme that's specific to the area.

The second thing I'd like to mention on this is that we have previously talked to you about the size of the development leases that we already have in these two areas, and many, many of our prospects that we have remaining on our list to drill are actually contained within the development leases. This is quite significant, because we have 25 years in the development lease to both explore and produce in the area, which gives us options for delaying some of these wells without actually impairing our ability to explore the potential of the acreage. We can in fact wait a year or two and still decide to drill some of the deeper, high-potential wells that are contained wholly within these development leases, so we have a good plan, I think, for managing this exploration, but it is something that we're looking forward to next year, in June.

With our drilling programme, by the way, the reason we haven't stopped drilling all together -- you might think we would consider that, but we haven't, because we do want to continue to explore the exploration acreage prior to the relinquishment deadline in the areas that are not already held by the development leases, and we do anticipate that we'll be able to expand and increase our acreage holding through additional development leases.

SCOTT DARLING: Okay, thank you. Can I just follow up on something? So, your CAPEX guidance for this year was $337 million: Egypt and Kurdistan and maybe UAE. What are we saying it is now?

DONALD DORN-LOPEZ: If I look at what we have on the schedule now, it's pretty much unchanged in Kurdistan from what we had before, and most of our changes are in Egypt, and we're looking at a potential reduction - I stress this is potential, because no final decisions have been made until we see what happens with the cash receipts, but we have the flexibility to reduce that by over $100 million.

SCOTT DARLING: Okay, thank you.

JOE KAYE: Okay, thanks, Scott. If we could take the next question, now, please.

OPERATOR: Thank you, and our next question comes from the line of Abid Riaz from EFG Hermes. Over to you. Your line is now alive; please go ahead.

ABID RIAZ: Hi, gentlemen. I think Scott's actually covered a lot of the things I wanted to ask. May I just ask on the potential for a London listing? We heard some noise, and it seems to be in favour these days, with other oil service companies also exploring the possibility of listing a subsidiary in London. Can I just ask for a comment on that, please?

AHMED RASHID AL ARBEED: This is Ahmed Rashid Al Arbeed. As a company, board of directors and the management, we always try to maximise the value to our shareholders and look into different options of how to do that. We are in the stage of looking at options. In fact, we haven't yet concluded any option or taken any initiative in favour of one option. Once we conclude all these studies and come to a conclusion with the board of directors, then we will of course announce that at the time.

ABID RIAZ: Thank you. And just one thing. I'd just draw you back to the Egyptian receivables. Are you now being paid fully? Can we take it as understood that you are now being paid fully in Egypt?

AZFAR ABOOBAKAR: Hello, Abid. This is Azfar Aboobakar, the Financial Controller. If your question is: have we been paid fully for the past receivables? No, we haven't been.

ABID RIAZ: Clearly you have not been paid for the first quarter receivables; that's why you've seen the spike, but are you being paid now for production onwards with a view to obviously being paid back the money that's owed during the last quarter?

AZFAR ABOOBAKAR: In the presentation, you must have seen that our total receivables in Egypt are approximately $150 million, and what I can tell you is that during the first quarter, a small amount trickled in, but yes, the bulk of the receivables are outstanding.

ABID RIAZ: Sorry, I didn't quite get that.

AZFAR ABOOBAKAR: In the presentation, you will see the total receivables in Egypt are at $150 million, and subsequent to the first quarter, only small amounts have trickled in to us, so there hasn't been any major collection of receivables as mentioned on the presentation.

ABIT REHAS: Can I ask you what the current situation is then, please?

AZFAR ABOOBAKAR: Well, as I said, subsequent to the quarter end, we have received some money, which is already mentioned in the presentation, and we continue to monitor the situation.

JOE KAYE: Okay, I think that's where we are on that, Abid. If it's okay, could we take the next question, please?

OPERATOR: Thank you for question. Our next question comes from line of Eyad Faraj from Bank of America Merrill Lynch. Over to you.

EYAD FARAJ: Hi. Good afternoon, gentlemen. Thanks for the call. This is Eyad Faraj from BoA Merrill Lynch. I just had a couple of quick questions. In regards to the receivables in Egypt, I guess this is just a follow-up on the previous question. Is it safe to assume that all the sales you're making now, you're receiving payment for them? Secondly, since you're re-phasing your drilling campaign, can you remind us: is this going to shorten your campaign? And how many wells are you planning to drill for the remainder of 2011? And then, in addition to that, with regards to Iraq, is it safe to assume that we're not going see much more CAPEX? Can you just remind me what the split for Egypt and Kurdistan was for your CAPEX on the 337, please? Thank you.

AZFAR ABOOBAKAR: Hello Eyad. I can take the first part of your question. As far the receivables are concerned, we are currently facing a delay of approximately four months.

EYAD FARAJ: Okay.

AZFAR ABOOBAKAR: So the first quarter receivables are definitely not collected.

EYAD FARAJ: Okay, great. Thank you. On the drilling campaign?

DONALD DORN-LOPEZ: On the drilling campaign, I'm looking at the prospect list in front of me. Unfortunately I don't have the details of the drilling schedule with me, but I think it looks like it's about 13 that we have on the list for the year.

EYAD FARAJ: Does that include the first two wells: the dry well and then the most recent discovery, or is that in addition to those?

DONALD DORN-LOPEZ: It wasn't included, but I've just been handed the drilling schedule, soI can be more precise.

EYAD FARAJ: Fantastic. Thank you.

OPERATOR: Thank you. Our next question comes from the line of --

EYAD FARAJ: Sorry, Operator. I'm still waiting.

OPERATOR: Are you still waiting? Okay.

DONALD DORN-LOPEZ: Sorry. Just to answer the question, it does look like it's 13 on the active drilling schedule.

EYAD FARAJ: Excellent. And then if you could just remind me of the split between Egypt and Kurdistan on your CAPEX on the $337 million.

DONALD DORN-LOPEZ: Well, we've actually got our biggest amount in Egypt, but it's almost equal to our UAE CAPEX also for the Zora field development, and it looks like in Kurdistan we're going to be at about 10% of the level that we are in Egypt.

IHAD FARASH: Okay. Could you disclose those numbers?

DONALD DORN-LOPEZ: These are planning numbers, so I think we're not going to disclose that publicly. I'm just giving you guidance as to the approximate amount.

IHAD FARASH: Fair enough. Thank you.

JOE KAYE: Great, thank. If we could move to the next question now, please.

OPERATOR: Thank you, and our next question comes from the line of Jessica Estefan from Shuaa Capital. Over to you.

JESSICA ESTEFAN: Good afternoon, gentlemen. This is Jessica Estefan from Shuaa Capital. Congratulations on the results. Just a couple of follow-ups, please. Going back to Egypt, I wonder if you're also having problems with authorisations for the developments or it's just the receivables. And are the rest of the companies facing the same issue? Is it a temporary glitch, or is it going to be sorted out in the coming months?

AHMED RASHID AL ARBEED: This is Ahmed Rashid Al Arbeed speaking. We have improvement in the last few months, but we're not really sure with regard to going back again to the same levels of payment that we were witnessing before the unrest. We're hoping that the Egyptian Ministry will stick to paying according to the contracts, and we will continue our efforts in impressing on them to do that.

DONALD DORN-LOPEZ: There was one part of your question relating to approvals. There was a time when things were going a little slower, because as you might expect, changes in the government mean that responsibilities are not always clearly defined, but it looks like things are coming back on track. We have very good relations with the government, and we're not facing any serious issues there.

JESSICA ESTEFAN: Okay, very good. However, all the production that was expected to come from the East Nile plant is now deferred to 2013 at least. At least we can say that safely.

DONALD DORN-LOPEZ: Yes, that's correct, and we're evaluating alternative options to actually constructing that plant as well, so there are still some decisions to be taken.

JESSICA ESTEFAN: Okay, very good. And just one more question: regarding the Sukuk, is there any update on the potential way to refinance or repay the Sukuk that you can update us with?

AZFAR ABOOBAKAR: Nothing really more than what we reported to you last quarter, because we are still evaluating our options, and as we said last time, once we conclude the option, we will of course announce, but I would like to assure you that we will stick to our commitments and we will make any option that is suitable to both our investors and our shareholders.

JESSICA ESTEFAN: Okay. I'm sorry to take so much of your time. Just one last question. You are committed to spending the $90 million in the UAE this year. Is that correct?

DONALD DORN-LOPEZ: Yes, that's correct.

JESSICA ESTEFAN: Very good. Thank you so much.

JOE KAYE: Thanks. If we could take the next question, please.

OPERATOR: Thank you. And our next question comes from the line of Alex Stojanovski from Deutsche Bank. Over to you.

ALEX STOJANOVSKI: Hi. Good afternoon, gentlemen. I have a couple of questions on the cost of sales in the quarter. If I look at your run-rate on cost of sales, we've seen almost a 20% reduction on sequential basis, or if I look at it on unit basis, it's been cut from about $3 to about $1.5. I wanted to get an understanding. What is the explanation behind the significant reduction on the unit cost base, and more importantly, how sustainable is that going forward?

Related that this also, I've noticed a reduction in the royalty payouts, inclusive of the taxes as part of the royalties. Your run-rate in 2010 was around 43%. That's been reduced down to about 37%. What is also the explanation for that? How sustainable is that in subsequent quarters?

AZFAR ABOOBAKAR: Hello, Alex. This is Azfar Aboobakar, Financial Controller, Dana Gas. In respect of your first question for our operating cost which as a percentage of the ratio overall has reduced, there are two key reasons. One is that this quarter, there is a significant element of production coming from the Kurdistan Region of Iraq also. In a way, our operating costs are slightly lower than those compared to Egypt. Secondly, as the production increases, your unit cost is bound to reduce.

In respect of your second question, which is for royalty and tax, again, the revenue as it compares to the revenue -- the revenue includes revenue from Kurdistan, whereas the royalty and taxes are only applicable for Egypt.

JOE KAYE: Okay, thanks for that. We've covered that, Alex. If we could move to the next question now, please.

OPERATOR: Thank you, and our next question comes from the line of Bobby Sarker from QNB Financial Services. Over to you.

BOBBY SARKER: Hi guys, this is Bobby Sarker. I have a couple of questions. One, can you give us an update on what is going on in Sharjah for this year? The second is: is there an update on what you plan to do with your 3% or so stake you hold in MOL, given your receivable issues and the potential problems or potential concerns regarding the refinancing of the Sukuk coming due next year? Thank you.

DONALD DORN-LOPEZ: Bobby, this is Donald Dorn-Lopez, Technical Director. I'm not sure what you mean by what's going on in Sharjah this year. Maybe you can clarify that.

BOBBY SARKER: In terms of the exploration prospect.

DONALD DORN-LOPEZ: Yeah. The Sharjah Western Offshore concession contains the Zora field, which we're developing, and it also contains an exploration acreage, and we are progressing with the drilling engineering planning for both the development wells and for the exploration well. We have identified three prospects, I believe, in the acreage, two of which look like they have the potential to be economic prospects, and we're hoping to be able to drill the first of those. We're looking at the phasing of it so that we can use the same rig that we're going to use for the development drilling to be able to drill the exploration well also, because this makes a lot of economic sense since we don't have to mobilise and demobilise twice. But that work is ongoing, and we're at a pretty advanced stage, actually, in the well planning.

AHMED RASHID AL ARBEED: This is Ahmed Rashid Al Arbeed, the CEO. On the question regarding the MOL shares, we have with us here on this conference call Ranga Kishore our Finance Controller. I'd like him to answer this question.

RANGA KISHORE: Hi, Bobby. Regarding MOL shares, as you already have heard, the company received the MOL shares in April 2009, as a consideration for the sale of a stake in Pearl Petroleum. In the last two years, the value of these shares has more than doubled. We are very pleased with this and continue to monitor these investments. Given the strong commodity price environment and sentiment in the oil and gas sector, we remain optimistic on this investment.

JOE KAYE: Okay, thanks. Could we take the next question, please?

OPERATOR: Thank you, and our next question comes from the line of Jochen Waag from MRB Asset Management. Over to you.

JOCHEN WAAG: Yes, thank you. My name is Jochen Waag. I work for a Swiss-based asset management company. You have to pay back -- in about one year, your Sukuk of US$1 billion, and I would like to know what your plans are to refinance that amount, and when can we expect a refund and (inaudible)?

JOE KAYE: Jochen, it's Joe Kaye here. I'm afraid we've already covered that point to the extent we're able, and I'm sorry but I'm afraid we've got no more information that we can share on that particular subject, so I'd be grateful if we could move to the next question, please.

OPERATOR: Thank you, and our next question comes from the line of Samuel Potter from Deal Reporter. Over to you.

SAMUEL POTTER: Afternoon, everyone. Sorry, Joe. I was actually going to revisit that but with a slightly different angle. I wondered if you could tell us with regards to the liability management if any financial advisors have been appointed, and if so, who they are, and if not, when they might be appointed.

JOE KAYE: No, I'm sorry Samuel, but I'm afraid we've shared as much as we're going to share on that point, so if we can move to the next question, please.

OPERATOR: Thank you, and our next question comes from the line of Pascal Nicoli from GIB. Over to you.

PASCAL NICOLI: Hi, it's Pascal from GIB. My first question is regarding Egypt and your production. You said that you would start producing from the new discovery in Q4 this year. What would be your production expectation for 2012, then?

DONALD DORN-LOPEZ: 2012. We haven't actually given any guidance yet for production in 2012.

PASCAL NICOLI: Okay. Do you know by how much it will improve production then, in Q4, as you said?

DONALD DORN-LOPEZ: Yes, we will have an increase in the fourth quarter, but we're actually forecasting now a slightly lower average for 2011 than what we had before.

PASCAL NICOLI: Which is?

DONALD DORN-LOPEZ: Yeah, I think we had given guidance before that we would be above 50,000 per day oil equivalent, and now we're saying we'll be slightly below that, and of course, where exactly we end up depends on how fast we can get these dry gas wells hooked into the facilities. It's already discovered and available, but it does depend on actually getting the construction work done, so it's a little bit uncertain, and I think that's about all the guidance we can give on that for now. For 2012, I think we'll wait on that question and we'll take that later on in the year as we develop our plan more firmly for 2012.

PASCAL NICOLI: Okay, thank you. And regarding Egypt receivables, they have increased by about $58 million in Q1 this year. Have you seen a similar trend? Because I didn't get the exact answer whether you were now fully getting paid or not.

JOE KAYE: I think we've to a large extent we've been around that. We have got all the numbers in our presentation, and there's actually nothing further we can add on the subject, so ...

BASKO NICOLI: Okay, and the trend?

JOE KAYE: No, we can't give a trend. No.

PASCAL NICOLI: My next question was referring to your own internal organisation. Has the new CFO been appointed yet? Are you still looking for someone?

JOE KAYE: At the moment, we're searching for a Chief Financial Officer, as you know. To date, we've not yet identified a candidate, so that's all we have to say on that subject. If we could move to the next question, please.

OPERATOR: Thank you, and the next question comes from the line of Tamsin Carlisle of The National. Over to you.

TAMSIN CARLISLE: Yes, good afternoon. I was just wondering if you could comment on the news that we heard recently about the Nabucco pipeline probably going to cost more to build, and more importantly, from your point of view, being delayed a couple of years. I think they're now planning to start building in 2013, and won't be turning any gas through it until 2017. Does that affect your plans to export gas eventually from Kurdistan? Are you looking at alternatives to Nabucco now?

AHMED RASHID AL ARBEED: This is Ahmed Rashid Al Arbeed. There are plans so far within the requirements and needs of the Kurdistan Region. We have supplied them in regards to operating their power stations, and the plan goes up to that and to also fulfil the requirements of their industrial needs all over the Kurdistan Region. We and our partners, as you know, are thinking of supplying the Nabucco line. Our partners in Pearl, OMV and Mol are partners of Nabucco, and when they decide on their timing, and we agree arrangements with the Kurdistan Region, then that can take place.

TAMSIN CARLISLE: So really, no immediate change?

AHMED RASHID AL ARBEED: Nothing at this stage.

TAMSIN CARLISLE: I see. Thank you.

JOE KAYE: Thanks very much. We've now got just one last question, please, if we could take that.

OPERATOR: Thank you, and our last question comes from the line of Scott Darling from Nomura. Over to you, Scott.

SCOTT DARLING: Hi, everyone. Just one little follow up. When I read your annual report, and the comments from your Chairman in your annual report, it seems to indicate that the UAE gas project will, one way or another, be finalised this year; either arbitration is successful or there's some kind of legal outcome away from these leaking pipeline issues. Is that a fair assessment of those comments from your Chairman in your annual report?

AHMED RASHID AL ARBEED: I think what our Chairman said was the following: that the arbitration is going on, and we will follow that until the conclusion and we are assured and satisfied enough that the outcome of the arbitration will be in our favour. He also mentioned about the leaks in the pipeline and the Iranian side. That is taking time, now, for the Iranians to repair.

SCOTT DARLING: Okay, thank you.

JOE KAYE: Great. Well, many thanks to your attention, ladies and gentlemen. That concludes our call for today. We are of course always available to answer any other questions you may have, and please, on a first basis, if you get in touch with me, Joe Kaye, either by phone or by email, I'll try to handle your questions; otherwise, I'll pass them to other members of management. Thank you very much for your interest. Thank you and goodbye.